sectors including projects needing foreign technology.

Charges against chairman Uttarbanga Keshetriya Grameen Bank

2193. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the serious charges framed against Chairman, Uttarbanga Kshetriya Grameen Bank by Inspection Department of Central Bank of India;

(b) what are the charges against him submitted by the Management Audit and Inspection report conducted by Central Bank of India and submitted in March, 1993; and

(c) the action taken against him?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) Central Bank of India (CBI) conducted management audit of Uttarbanga Kshetriya Gramin Bank (UBKGB) covering the period 1992-93 and submitted the report on 25-3-1994. The irregularities / deficiencies covered in the report referred to aspects relating to functioning / performance of the UBKGB, such as not holding the prescribed minimum number of meetings, not placing the progress reports under important parameters before the Board, branch visit reports not being held on record, non-creation of a cell at the Head Office to review funds management, excess staff at the Head Office, etc. For rectification of irregularities, Central Bank of India has been following up the matter with the Chairman of the UBKGB from time to time.

Security arrangements at Sultanpur Grameen Bank

2194. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether Chairman, Sultanpur Gramin Bank has taken security arrangements at Head Office; if so, what are the reasons therefor;

(b) what is the expenditure per month borne by this Rural Bank for such security arrangements and what amount has so far been paid; and

(c) whether such expenditure is allowed by Government; if not, what action has been taken by Government against the Chairman?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. The Bank of Baroda (BOB), the Sponsor Bank of Sultanpur Kshetriya Gramin Bank (SKGB), has reported that keeping in view the security and safety of SKGB's property and personnel on account of the continued agitational programme resorted to by the Staff of the Bank, the District Authorities provided security arrangements at Bank's Head Office and at Chairman's residence from 6th October, 1994.

(b) The expenditure borne by the Gramin Bank for such security arrangement is as under:-

Month	Amount paid
06-10-94 to 31-10-94	Rs. 39,200
01-11-94 to 30-11-94	Rs. 44,400
December, 1994	Rs. 20,000

January, 1995 onwards Rs. 15,000 per month is being paid due to a gradual reduction in number of security personnel.

(c) The Board of Directors of Sultanpur Kshetriya Gramin Bank in their 97th Meeting held on 14-02-1995 approved the action taken by the Bank's Management in connection with the security arrangement at Head Office and Chairman's residence as it helped smooth functioning of the bank.

Daftary allowance to messengers in Regional Rural Banks

2195. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether NABARD has allowed the Regional Rural Banks to extend the facility of Daftary allowance to messengers as per sponsoring Banks in their order issued in July, 1991;

(b) whether the State Bank of India has not yet allowed such benefit to its sponsored Regional Rural Banks; if so, the reasons therefor;

(c) why such benefit has been withdrawn in case of Mallaprabha Grameen Bank; and

(d) what action has been taken for dishonouring Government order issued through NABARD?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) National Bank for Agriculture and Rural Development had advised all the Regional Rural Banks and sponsor banks, vide their circular dated 5th July, 1991 that the functional allowance of daftary to peons working in branches of RRBs may be allowed as per practice prevailing in the rural branches of sponsor banks where only one peon is provided. Further, after the acceptance of the recommendations of the Working Group by Govt. NABARD had issued instructions on 20th March, 1993 to all the RRBs and sponsor banks including SBI, inter alia that the daftary allowance is to be made applicable as and when the post of daftary is created in the RRB in the Head Office and / or branches. In respect of the branches, the allowance should be made applicable only to the messenger who is to be entrusted with the work of daftary provided such allowance is paid by the sponsor Bank to the messenger in its rural branch where only one peon or messenger is provided.

(b) State Bank of India has reported that the norms and conditions for creation of post of Daftary in its branches and administrative offices were issued on 16th April, 1993. The RRBs sponsored by State Bank of India are required to follow the same practice as prevalent in SBI in this regard.

(c) and (d) Certain representations received from the employees unions of RRBs regarding payment of Daftary Allowance were examined by the Syndicate Bank, the sponsor bank of the Malaprabha Grameena Bank, before the receipt of the instructions of NABARD on the subject. The sponsor bank, had advised the RRBs to extend the facility on adhoc basis subject to NABARD's policy decision on the issue. Malaprabha Grameena Bank had accordingly introduced the Daftary Allowance on an adhoc basis. Various issues relating to implementation of NIT Award were subsequently discussed in the Karnataka State Level Forum of RRBs convened under the auspices of NABARD's Bangalore Regional Office on 04.08.93 wherein it was clarified that Daftary Allowance need be paid by the RRBs only if the post of Daftary has been created by them and if such allowance was being paid by the Sponsor Banks. Since Malaprabha Grameena Bank had not created the post of Daftary the facility was withdrawn. It has been further reported that Malaprabha Grameena Bank has not violated the provisions of NIT Award since they have been not paying the Daftary Allowance as the post of Daftary has not been created by the Bank. The issue has been once again reviewed recently by Malaprabha Grameena Bank in the light of the fact that though separate Daftary Allowance is not being paid to all the Messengers in the sponsor Bank, an element of Daftary Allowance has been incorporated in the rotational allowance which is being paid. The Malaprabha Grameena Bank has therefore decided to pay the rotational allowance as is being done by the sponsor bank.

India's Credit Policy

2196. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRI RAJUBHAI A. PARMAR:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India's credit policy has failed in its objective of curbing and containing the inflation rate at around 8 per cent for the current year;

(b) if so, to what extent; and

(c) the causes to which it is attributable?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) Annual inflation rate as measured by point to point change in the Wholesale Price Index Number (WPI) was 12.1 per cent as on April 23, 1994 when the monetary policy for the first half of 1994-95 was announced by the Reserve Bank of India. Subsequently, the inflation rate declined to 8.4 per cent by October 1, 1994. It